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12 January 1956

MEMORANDUM FOR: Deputy Director (Support)

ATTENTION: [redacted] 25X1A9A

SUBJECT: Requirements and Authority for Bonding of Personnel

1. The law requires the bonding of Certifying Officers (31 U.S.C. 82c), Disbursing Officers (5 U.S.C. 46) and "Special Agents . . . charged with the disbursement of public monies." (31 U.S.C. 461) The extent of this last category is not entirely clear; however, since the approval of bonds under this statute is vested in the head of the department or agency concerned, wide latitude exists for its interpretation and application.

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2. We have been advised by Mr. [redacted] of the Office of the Comptroller, by a memorandum dated 16 December 1955, that a Position Schedule totaling 191 positions, prepared by the Office of the Comptroller, covers all employees of the Office of the Comptroller, wherever located, "whose primary duties are those of disbursing and/or certification."

3. We therefore conclude, as a matter of law, that completion of a Position Schedule bond covering these 191 positions will satisfy all statutory requirements for bonding except such as might be additionally imposed upon this Agency by 31 U.S.C. 461. We understand that subsequent activity of the Special Committee appointed by you to consider bonding policy and procedure will be directed at determining what, if any, additional positions or persons in the Agency must be bonded under that statute, and which may be bonded under the authority of that statute if it is considered desirable to bond them as a matter of Agency policy.

4. Consultation with Department of the Treasury has indicated that they concur in our position that the Agency's authority to pay the premiums on surety bonds, granted by the CIA Act of 1949, is in no way lessened by the passage of recent legislation establishing similar authority government-wide. Without subjecting ourselves to the restrictions of the new legislation, or regulations issued thereunder, we nevertheless obtain benefits from Treasury's new willingness to accept Position Schedule bonds.

5. The Position Schedule bond offers two advantages. First, it results in a lower premium. Second, and of particular importance to the Agency, it becomes unnecessary to name or

locate any individual covered unless and until such time as a claim may be made.

6. If the Position Schedule bond, for which informal bids are now being solicited from four surety companies, is contracted for with one of those companies, and if, subsequently, the Agency decides to bond additional positions, such extension may be accomplished through endorsement of the original bond and the payment of additional premium, without the necessity for re-negotiation.

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[redacted]
Assistant General Counsel

OGC:RPB:mz
Distribution:
Orig. & 1 - Addressee
1 - Subject - Accounting - 3
1 - Signer ✓
1 - OGC Chrono

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